



**PUBLISHERS
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July 13, 2007

The Honorable Dan G. Blair
Chairman
Postal Regulatory Commission
901 New York Avenue NW, Suite 200
Washington DC 20268-0001

Re: Order and Request for Comments, Docket No. PI2007-1

Dear Chairman Blair,

Publishers Clearing House (PCH) has been an active participant in the MTAC Work Group #114 for Service Standards and Measurement and supports the ongoing efforts of the various subgroups. In addition to that input, PCH would like to provide direct commentary relative to packages mailed as Standard parcels, Bound Printed Matter (BPM), Media Mail and single piece Parcel Post. As a major direct marketer who uses the USPS exclusively for tens of millions of parcel shipments annually, service standards are critically important to us.

- The desired service standards for the above referenced **destination-entered parcels** are based on the Parcel Select standards, with one day added to recognize the deferability of Standard mail as follows:
 - DBMC / ASF = 3-4 days
 - DSCF = 3 days
 - DDU = 2 day
 - 98% consistency is expected with the balance or "tail" limited to 2 days for DBMC/ASF and 1 day for DSCF and DDU.
- The desired service standards for **origin-based parcels** are:
 - The current 2-9 day delivery standards by 3-digit-to-3-digit pairings for BPM, Media Mail, and single piece Parcel Post.
 - For Standard parcels, one additional day is acceptable given the deferability of Standard mail.
 - 98% consistency is expected with the balance or "tail" limited to 2 days.

It is recognized that the basis of the existing standards are likely outdated and as such, are being reviewed by the USPS. **It is suggested that the industry be given an opportunity to provide a second round of comments once the updated service standards data become available.**

- **Consistency in meeting the parcel service standards is extremely important to all mailers in order to properly plan for meeting the delivery expectations of the end consumers who ordered these goods.** This has a direct link to profits and losses. Goods that are not delivered within the expected time frame lead to returns and in the case of a "bill me later" environment such as that of PCH, such goods are often not returned, but rather the sale remains unpaid. In both scenarios the sale is lost and in the latter, the cost of goods is sunk and the opportunity to restock and resell the goods is also lost.
- Consistent achievement of the recommended service standards will serve to improve the consumer experience and thus grow the business for both mailers and the USPS.

From Our House to Your House

- **To properly monitor service performance, the use of intelligent mail barcodes (e.g. Delivery Confirmation) and seamless acceptance are the most logical methods.** It would be nearly impossible to replicate service for bulk mailed parcels through an external measurement process. This would require decoy product shipments to be picked from an inventory, packed and shipped across the variety of categories (- Standard Machinable, Standard Irregular, Standard NFM, Standard Flat, BPM, Media Mail, single-piece Parcel Post) in order to properly represent the actual mail mix and flow of parcels across the appropriate induction points and the varied postal equipment that process each of these categories.
- To insure that the data capture is appropriately representative of the above referenced parcel mix and to provide statistically significant results, the use of Delivery Confirmation among all parcel mailers needs to be encouraged. The best way to achieve this is to **make Delivery Confirmation a base-line feature of the aforementioned parcel categories** whereby the service carries no additional cost but rather a fee is charged if a DelCon barcode is NOT applied.
- Having Delivery Confirmation as a base-line service will also serve as a means for the USPS to improve their market share in the parcel shipping sector.
- **To further expand the adoption rate of Delivery Confirmation among mailers, it is necessary that the full array of USPS parcel processing equipment be able to read a smaller DelCon barcode** that can be accommodated on smaller parcels such as Standard mail parcels which typically have limited real estate.
- Accommodating smaller DelCon barcodes on Standard parcels will enable such mailers to capture and communicate to end-consumers, delivery data not currently attainable. This will provide for improved customer service which in turn provides for further improved customer satisfaction and ultimately greater value in terms of future sales.

Your consideration of these comments is appreciated.

Respectfully,



Wendy C. Smith
Assistant Vice President, Fulfillment & Postal Affairs